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ELECTRIC & GAS REGULATION

April 21, 2006

Charles L. A. Terreni  
Chief Clerk & Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Application by South Carolina Electric & Gas Company of Authority to Issue \$35,465,000 of its First and Refunding Mortgage Bonds to be Secured by its Existing Mortgage.  
Docket No. 2006-106-E

Dear Mr. Terreni:

This is to acknowledge that the Office of Regulatory Staff has reviewed the above referenced filing and based on the following information we have no objection to the Company's request for an order authorizing issuance of bonds. The Company states in the Application that the issuance of these bonds will have no effect on its financial condition or on its financial statements. The issuance of these bonds will continue an annual practice going back to 1956 of using these bonds to satisfy a sinking fund requirement under an indenture dated January 1, 1945. The bonds, upon issuance and authentication, will immediately be cancelled, leaving a \$35,465,000 property security interest to secure the indenture in the event of default. The objective of the proposed issuance and cancellation of these bonds is to conserve cash for the Company's construction program and general corporate purposes. ORS finds the purpose of the bond issuance consistent with the public interest and previous practice.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Florence Belser, General Counsel, SC ORS  
Francis P. Mood, Jr. General Counsel SCANA Corp  
Dr. James Spearman